GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1430
ANSWERED ON:28.11.2000
RESTRUCTURE OF COAL INDIA LIMITED AND OTHER COMPANIES
SHIVAJI VITHALRAO KAMBLE

Will the Minister of COAL be pleased to state:

(a) whether the Government have taken fresh initiatives for the restructuring of Coal India Limited and its subsidiaries/corporations/PSUs under the Ministry, during 1999-2000 and the current year as per MoU;

(b) if so, the details thereof, company-wise;

(c) the details of proposals finalized/under consideration for the purpose;

(d) the policy of the Government to improve the performance of the Public Sector Undertakings;

(e) the terms of achievements as well as short fall;

(f) the progress made on new coal mines projects and loan, assistance received and utilised during the last three years, project-wise; (g) the reasons for the cost escalation and slow progress in execution of new projects; and (h) the details of investment proposed for completion of the coal projects and production of coal, State-wise?

Answer

MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a): No, Sir.

(b) &(c): Does not arise in view of the answer given to part (a) of the question.

(d): The policy measures to improve the performance of the coal PSUs comprises, inter alia, the following:

i) Greater autonomy to PSUs.ii) Rationalisation of manpower. iii) Assist CIL in getting adequate supply of wagons. iv) Assists in recovery of outstanding coal sale dues.

(e): The achievements in implementation are as under:

i) complete deregulation of pricing and distribution of coal with effect from 1.1.2000. ii) Increased co-ordination with the Railway Board in matters of supply of wagons. iii) Strict enforcement of cash & carry scheme and realisation through deduction from the Central Plan assistance to defaulting states. iv) Financial assistance for implementation of voluntary retirement scheme in loss making coal companies.

(f): The following new projects are likely to be completed during 2000-01.
i) Salunga - Jeenagora OC ii) Parej East OC iii) Pauni OC iv) Saner Exp U/G
No budgetary support is being provided to CIL at present for this purpose.
v (g) The capital cost of a project is estimated at constant price i.e. the price prevalent at the time of formulation/approval of the project. No provision is made for escalation in the capital cost of the project over the period of construction and since the coal projects are having long gestation period for Open Cast Projects, the cost of project increases even if project is completed on schedule.
The main reasons for slow progress in execution of new projects are as under:
i) Delay in acquisition of land including forest land. ii) Delay in rehabilitation of affected personnel. iii) Adverse geo-mining condition iv) Delay in supply of equipments/execution of turn key contracts by manufacturers/contractors and v) Miscellaneous problems like law & order, fire, coal evacuation etc.

(h) The state-wise details of proposed investment and production of coal in new projects during the IX Plan period and in the terminal year 2001-2002 are as under:

State	Investment (Rs. Crores)	Production (MTC)
West Bengal	534.66	17.48

Bihar / Jharkhand	2237.41	77.02
Orissa	1382.11	44.50
Uttar Pradesh	1125.84	16.50
Madhya Pradesh / Chattisgarh	3923.87	93.24
Maharashtra	1288.42	29.76
Assam & Meghalaya	15.87	0.50
Total (CIL)	10508.18	279.00